



Cutting Deals



Max was a pretty ambitious person for someone only 15 years old so it was no surprise to his parents when, one spring morning, he told them that he was going to start a lawn cutting business. Nor were they caught off guard when Max described an unusually detailed business plan that included dropping ads door-to-door across a 2 mile radius. They had heard endlessly about how much Max wanted to own a sports car as soon as he became eligible to drive. His overriding obsession was a cherry red Mustang. Max knew that cars cost lots of money.

The response to the ads was incredible but also posed a bit of a problem. There was no way that Max would be able to cut all the lawns without help. So, he got on the phone and recruited friends from school to work for him. Max quickly built a company of 5 cutters (though he actually had 12 friends expressing interest in the jobs). Everyone wanted spending money for the summer. They entered a deal and agreed that the hourly pay would be \$5.50. Everyone was excited.

Max began making a lot more money than he ever expected and his hopes for a new car did not seem as unrealistic as some thought previously. But, Max also began to experience challenges that he did not anticipate. After working long hours for many weeks in blistering summer heat, one of his grass cutters named Carlo started complaining that he and his fellow grass cutters were not being paid enough. Carlo informed Max that the grass cutters wanted a new deal i.e. a pay raise of \$1.00 an hour. Carlo's father, Robert, called Max later and added to his son's demands. In pretty blunt language, he reminded Max that his grass cutters were working around fairly dangerous equipment. Robert told Max that he better make sure that the safety of his overworked friends would be protected by making sure that they wore things like work boots, long pants, and ear protectors.

Max, like his grass cutters, was also really tired from all the work and grew increasingly annoyed when Carlo's father kept telling what he had to do. "It's my business," Max snapped. "If Carlo doesn't want to work for me under the deal we agreed to, he can quit and I will hire someone else." Visibly annoyed, Max hung up the phone.